

PHILIP MORRIS U.S.A.

INTER-OFFICE CORRESPONDENCE

RICHMOND, VIRGINIA

To: .B. J. Case

Date: July 8, 1991

From: .B. J. Horan

Subject: .CONSOLIDATION OF PHILIP MORRIS USA RECORDS MANAGEMENT DEPARTMENTS

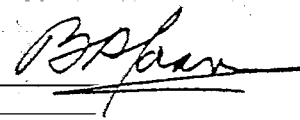
Within Philip Morris USA, there are currently six decentralized Records Management departments. These departments are made up of 40 employees (30 full-time salaried employees and 10 temporaries). The combined annual operating budgets of these groups total \$2,300,000.

As outlined in the attached proposal, consolidation of these six groups would reduce operating costs and improve the management of company records. A minimum of 3 positions could be eliminated immediately while still allowing the requirements of the Records Management Program to be met. Once all Philip Morris USA departments have fulfilled the basic program requirements, even more reductions could be realized.

This consolidation proposal has been discussed with Steve Parrish, General Counsel to Philip Morris USA. From a legal perspective, he urges that we proceed in this direction. The Legal Department has also expressed a desire to play a role in the development of a centralized Records Management department.

Since there will obviously be issues on how this consolidation should occur, I look forward to discussing this with you further.

Attachment



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